



# LOUISVILLE/JEFFERSON COUNTY METRO REVENUE COMMISSION

FORM  
I-2

## ANNUAL INDIVIDUAL OCCUPATIONAL LICENSE FEE RETURN

☐ CHECK IF CHANGED

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
SSN \_\_\_\_\_ Phone \_\_\_\_\_ Ext \_\_\_\_\_

ACCOUNT NO \_\_\_\_\_  
TAX YEAR ENDING \_\_\_\_\_  
DUE ON OR BEFORE \_\_\_\_\_

**\* THIS FORM SHOULD BE USED BY FEDERAL EMPLOYEES ONLY \***

- 1 ENTER GROSS INCOME FROM FEDERAL FORM W-2
- 2 DEDUCT EXEMPT INCOME PER COMPUTATION SHEET RESULTS  
(Only out of boundary earnings can be exempted.)
- 3 ADJUSTED GROSS INCOME (Line 1 minus Line 2)

\$
\$
\$

- 4 **OCCUPATIONAL TAX CALCULATIONS**  
Amount of Line 3 subject to each tax. (See instructions)

A	B	C
<b>LOUISVILLE METRO</b> AMOUNT OF LINE 3 EARNED IN LOUISVILLE METRO, KY X 1.25%	<b>MASS TRANSIT</b> AMOUNT OF LINE 3 EARNED IN LOUISVILLE METRO, KY X .2%	<b>SCHOOL BOARDS</b> AMOUNT OF LINE 3 EARNED BY LOUISVILLE METRO, KY, RESIDENTS X .75%

- 5 TOTAL TAX DUE (Line 4A + Line 4B + Line 4C )
- 6 AMOUNT WITHHELD OR PREPAID
- 7 BALANCE DUE
- 8 PENALTY & INTEREST (See Instructions)
- 9 TOTAL AMOUNT DUE
- 10 OVERPAYMENT TO BE REFUNDED

\$
\$
\$
\$
\$
\$

**A COPY OF FORM W-2 MUST BE SUBMITTED WITH THIS FORM BY APRIL 15<sup>TH</sup> OF EACH YEAR.**

### **COMPUTATION SHEET FOR OUT OF BOUNDARY EARNINGS**

**NOTE:** Applies only if at least 5% of work time is spent outside the boundaries of Louisville Metro, Kentucky. If you claim out of boundary earnings, you must have documentation to substantiate your claim. Do not submit documentation with the tax form; however, documentation must be retained for five (5) years and is subject to review upon request. Please use the formula provided below in order to compute any deduction for out of boundary wages:

- (A) \_\_\_\_\_ Number of days worked outside Louisville Metro, Kentucky  
(B) \_\_\_\_\_ Total number of days worked (excluding holidays, vacation and sick days)  
(C) \_\_\_\_\_ Percentage of days worked outside Louisville Metro, Kentucky **(Divide A by B)**  
(D) \_\_\_\_\_ Total gross wages (including deferred compensation)  
(E) \_\_\_\_\_ Wages earned outside Louisville Metro, Kentucky **(Multiply D by C)**  
(F) \_\_\_\_\_ Local Taxable Wages **(Subtract E from D)**

### **CLAIM FOR EXEMPTION DUE TO NON-RESIDENT STATUS**

I hereby certify that I have been a resident of \_\_\_\_\_  
(Street Address, City, County, State)

since \_\_\_\_\_ and that this location is my permanent home and residence.

### **CERTIFICATION STATEMENT**

I hereby certify that the information and statements contained herein and any schedules or exhibits attached are true and correct.

\_\_\_\_\_  
Signature

Date \_\_\_\_\_

Print Name \_\_\_\_\_

## **DETAILED INSTRUCTIONS FOR PREPARING FORM I-2**

Form I-2 should be completed by individuals who work for an Agency of the Federal Government and include only wages earned as a result of work performed for an Agency of the Federal Government. If you worked for more than one Federal Agency, separate I-2 Forms should be completed for each Agency and a copy of Form W-2 **must** be attached for each I-2 Form submitted.

Line 1. Enter the Gross Wages per Federal Form W-2. **Note:** Deferred Compensation and Non-Cash Fringe Benefits must be included in the gross wage figure entered on Line 1.

Line 2. Complete the "COMPUTATION SHEET FOR OUT-OF-BOUNDARY EARNINGS" on the back of Form I-2 and enter the figure from Line E of the computation sheet on Line 2.

Line 3. Subtract the amount on Line 2 from the amount on Line 1.

Line 4. In the appropriate blocks, enter the amount of Line 3 subject to each tax. In Column A, enter the amount of Line 3 multiplied by the Louisville Metro, KY, tax rate of 1.25%. In Column B, enter the amount of Line 3 multiplied by the Mass Transit tax rate of .2%. In Column C, enter the amount of Line 3 multiplied by the School Boards tax rate of .75%. If you reside in Louisville Metro, KY, for only part of the year, enter in the School Boards' column (Column C) the portion of your total earnings received during the period you were a resident. If your status as a resident or non-resident changed during the year, give details as to the date of such moves on the reverse side of Form I-2.

Line 5. Add Columns A, B, and C of Line 4 if you reside in Louisville Metro, KY. The maximum tax due is 2.2% of Line 3 for residents and 1.45% for non-residents.

Line 6. Enter on this line the total of occupational taxes withheld by all federal agencies from your earnings. **Do not include amounts withheld from your earnings by any other employer.**

Line 7. Subtract the amount on Line 6 from the amount on Line 5.

Line 8. Compute penalty and interest on the amount on Line 7 in accordance with the information given below under the caption "Penalty and Interest". This instruction applies only if the return is late and you owe a balance.

Line 9. Add Line 7 and Line 8. This is the amount of occupational license tax, penalty, and interest that must be paid.

Line 10. If Line 6 is greater than Line 5, enter the amount to be refunded.

**Special Instructions for Military Personnel Only:** If your earnings were for military duty, the following instructions apply, in conformity with the Soldiers and Sailors Civil Relief Act: (1) Residents of Louisville Metro, KY, should report military earnings as outlined in the instructions for Line 4. (2) Persons not residing within the boundaries of Louisville Metro, KY, should report all their military pay on Line 2 and sign the claim for exemption due to non-resident status at the bottom of Form I-2.

## **GENERAL INSTRUCTIONS**

**Explanation of Occupational Taxes:** Occupational license taxes are a major source of revenue for the Louisville/Jefferson County Metro government, the public schools, and the Transit Authority of River City (TARC). All such taxes are collected by the Louisville/Jefferson County Metro Revenue Commission, 101 S. 8th Street, Louisville, KY 40202. Every business entity and professional firm (whether the entity or firm be a self-employed individual, sole proprietorship, partnership, corporation, or association) doing business in Louisville Metro, KY, is subject to the tax, as is every individual employed in Louisville Metro, KY, except only as noted in the first sentence under the heading "Who Must File". The percentage rate license tax is applicable to the "net profits" of business entities and professional firms, and to the gross employee compensation of employed individuals. The current rate of tax totals 2.2%. This total is distributable as follows: 1.25% to Louisville Metro, KY; .2% for Mass Transit (TARC) purposes; and .75% for the public School Boards operating in Louisville Metro, KY. Individuals who reside outside Louisville Metro, KY, are exempt from the School Boards tax. **(See special instructions for reporting military pay.)**

**Who Must File:** The salaries and wages of domestic servants and duly ordained ministers of religion are exempt from all the local occupational taxes, except the .75% School Boards' tax. None of the service pay of non-resident military personnel is subject to any local occupational tax. In addition, members of the Kentucky National Guard are exempt from all local occupational taxes as to income received after June 18, 1976, for active duty training, unit training assemblies and annual field training. All other individuals whose earnings within Louisville Metro, KY, were from salaries, wages, commissions, or other compensation received from one or more employers, and on which occupational license taxes were not withheld [deducted by the employer(s)], must file an annual return on our Form I-2. In addition, all employees of the federal government, including military personnel, are required to report earnings from work performed for the federal government in Louisville Metro, KY, even if occupational taxes were withheld from such earnings. If any such taxpayer conducted a business, or was self-employed, at any time during the calendar year covered by his or her Form I-2 return, he or she must file a separate (additional) return on Form OL-3. If the taxpayer is deceased, the return(s) must be filed by his or her legal representative.

**Period Covered:** Form I-2 is to be filed based upon a calendar year.

**Payment of Occupational Taxes:** The occupational taxes must be paid in full at the time of filing to avoid penalties and interest. The deadline is **April 15th**. Do not send cash through the mail. Please make your check payable to the Louisville/Jefferson County Metro Revenue Commission.

**Penalty and Interest:** Failure **to file** on time subjects you to a penalty of 5% per month, or a fraction of a month, for the period the return remains unfiled, to a maximum of 25%. Failure **to pay** when due subjects you to an additional 5% penalty, plus interest at the rate of 12% per annum from the due date until paid.

**Failure to File Return and/or Pay License Fee:** Any person (including a corporation) who willfully fails to prepare or file a timely return, or who willfully prepares or files a false or inaccurate return, is subject, upon conviction, to a fine not exceeding \$100.00. The failure of any person to receive a return shall not excuse him or her from filing a return or from paying the proper occupational tax.

**BE SURE TO SIGN AND DATE YOUR RETURN.**